

**MINUTES
CALIFORNIA INFRASTRUCTURE AND
ECONOMIC DEVELOPMENT BANK**

Tuesday, January 24, 2006
1001 I Street - Second Floor
Sierra Hearing Room
Sacramento, California 95814

Karin Fish called the meeting of the California Infrastructure and Economic Development Bank (I-Bank) Board to order at approximately 1:30 p.m.

1. Roll Call.

Karin Fish represented the Secretary of the Business, Transportation and Housing Agency.
Francisco Lujano represented the State Treasurer.
Steve Kessler represented the Director of the Department of Finance.
George Valverde represented the Secretary of the State and Consumer Services Agency.

The following staff members were in attendance: Stan Hazelroth, Blake Fowler, Brooke Bassett and Roma Cristia-Plant.

2. Executive Director's Report.

Executive Director Stan Hazelroth updated the Board on the status of the defeasance of the I-Bank's Bay Area Toll Bridges Seismic Retrofit Revenue Bonds, Series 2003A and the retirement or defeasance of the Bay Area Toll Bridges Seismic Retrofit Commercial Paper Notes, Series 2005. Mr. Hazelroth also informed the Board that staff is in the process of finalizing an investment policy, which he expects to present to the Board at the next scheduled meeting. He also noted that the ISRF Program staff, in conjunction with other participants of the California Financing Coordinating Committee, has scheduled the 2006 Funding Fairs to be held in various locations throughout the state.

Consent Items.

- 3. Approve minutes from the November 15, 2005 meeting.**
- 4. Adopt resolution of preliminary intent in connection with the issuance of industrial development revenue bonds for Rick and Beverly Sperling Family Trust and Scott Sperling, and/or Air Flow Research Heads, Inc., or a related party (Los Angeles), for an amount not to exceed \$3,000,000.**

Ms. Fish entertained a motion to approve the consent items. Mr. Valverde moved to approve the consent items, and Mr. Kessler seconded the motion. The Board unanimously approved the consent items.

Action Items.

5. Adopt resolution approving ISRF Program financing for the City of Madera in an amount not to exceed \$10,000,000.

Ms. Cristia-Plant presented a staff report and introduced several officials from the City of Madera, including Mr. Bob Brown, Assistant City Administrator, Mr. Michael Hartman, Finance Director, and Mr. David Chumley, Public Works Director. Ms. Fish asked for any questions or comments from the Board members and there were none. She then asked for any comments from the public. Mr. Brown expressed appreciation to the staff of the I-Bank and indicated that the proposed ISRF Program financing will significantly aid the City with its efforts to finance needed improvements to its wastewater facilities. Ms. Fish entertained a motion to approve Resolution 06-02. Mr. Valverde moved approval, Mr. Lujano seconded the motion and the Board unanimously approved the resolution.

6. Adopt resolution superseding Resolution 05-28 relating to the sale of compact assets for, and on behalf of, and as agent for, the State of California pursuant to the provisions of Chapter 91, Statutes of 2004.

Ms. Bassett informed the Board that this item was considered by the Board at the November meeting, and that the purpose of Resolution 06-03 is to further clarify certain administrative duties that would be required of the I-Bank Executive Director in connection with this transaction.

Ms. Fish entertained a motion to approve Resolution 06-03. Mr. Valverde moved approval of the resolution and Mr. Kessler seconded the motion. Mr. Lujano stated that consistent with the State Treasurer's policy on this issue he would abstain. Ms. Fish, Mr. Valverde and Mr. Kessler voted to approve the resolution, and Mr. Lujano abstained from the vote. The resolution was adopted.

7. Adopt resolution appointing a firm to serve as escrow structuring advisor in connection with the proposed defeasance of the Bay Area Toll Bridges Seismic Retrofit Revenue Bonds, Series 2003A.

Mr. Fowler presented a staff report on the item and explained that through the Request for Qualifications process staff recommends the appointment of Public Resources Advisory Group (PRAG) to serve as the escrow structuring advisor in connection with the defeasance of the Bay Area Toll Bridges Seismic Retrofit Bonds and Commercial Paper Notes. Mr. Fowler's report further cited PRAG's extensive qualifications. Ms. Fish asked for any questions or comments from Board members or the public and there were none. Ms. Fish entertained a motion to approve Resolution 06-04. Mr. Lujano moved approval, Mr. Kessler seconded the motion and the Board unanimously approved the resolution.

Closed Session:

- 8. The Board of the California Infrastructure and Economic Development Bank will meet in closed session, pursuant to Government Code section 11126(e)(2)(A), to discuss the following litigation: Craig v. Schwarzenegger (Superior Court of California, County of Alameda).**

The Board adjourned for the closed session at 2:00 pm. Ms. Fish reconvened the meeting of the Board at 2:20 pm.

Action Items, continued:

- 9. Adopt resolution appointing Mennemeier, Glassman & Stroud LLP as litigation counsel.**

Ms. Brooke Bassett presented a staff report and briefly discussed the need for an outside counsel and qualifications of the firm proposed by staff.

Ms. Fish entertained a motion to approve Resolution 06-05. Mr. Valverde moved approval, Mr. Kessler seconded the motion and the Board unanimously approved the resolution.

Other Business.

Ms. Fish called for any other business. There was none.

Public Comment.

Ms. Fish called for any public comment. There was none.

Ms. Fish adjourned the meeting at approximately 2:25 p.m.